

1. OLL *Ames*
2. Admin *Budget Dept*

OLL 85-0363/2
20 February 1985

MEMORANDUM FOR: See Distribution

VIA: Acting Chief, Liaison Division, OLL *X*

FROM:
Liaison Division, OLL

SUBJECT: House Plans for Federal Retirement

1. The House continues to view Federal retirement (the existing Civil Service plan and a supplemental plan for new hires) as elements of the total Federal compensation package. Therefore, movement toward the design of a retirement package is slow.

2. The first order of business in the House is to try and block Administration proposals affecting Federal employees and retirees. To this end, Congresswoman Mary R. Oaker (D., OH), Chair of the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee, will hold an oversight hearing on the President's budget proposals on 26 February. Witnesses invited to the hearing include: Mr. David A. Stockman, Director of the Office of Management and Budget; Dr. Donald J. Devine, Director of the Office of Personnel Management; Mr. Martin Dugan, Chairman of the Advisory Committee on Federal Pay; Ms. Janet Norwood, Commissioner of the Bureau of Labor Statistics; and Representatives of Federal Labor, Postal, and Retiree Organizations.

3. After the hearings, the Post Office and Civil Service Committee will likely recommend that all of the Administration's proposals (including changes to the Civil Service Retirement age, COLA, contribution and benefit calculation) not be approved. The Committee membership has a pro-Federal employee orientation and many members are already on record as opposing the Administration's proposals.

4. This Committee's recommendations will be reviewed by the House Budget Committee which, in the past, ignored Administration efforts to cut Federal benefits. Given the mood in Congress to cut the Federal deficit, however, compromises can be expected; the most likely changes are a COLA freeze, high 3 to high 5, and an increase in employee contributions from 7 to 9 percent. There is a growing bi-partisan move in the House to stop all other changes at least for the foreseeable future.

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OLL:LD: aw (20 February 1985)

Date
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REMARKS

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Cyntia
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(action taken)
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OLL 85-0666
27 February 1985

MEMORANDUM FOR: See Distribution

VIA: Acting Chief, Liaison Division, OLL

FROM:

Liaison Division, OLL

SUBJECT: House "Hearing" on Administration's Proposed
FY 86 Budget Cuts to Federal Employee
Benefits

1. On 26 February 1985, Congresswoman Mary Rose Oakar (D., OH), chaired a "hearing" on the Administration's proposed FY 1986 Budget cuts to Federal employee benefits. Oakar is Chairwoman of the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee. The other Committee Members who attended are Mervyn M. Dymally (D., CA), John T. Myers (R., IN), Dan Young (R., AL), and William D. Ford (D., MI), Committee Chairman. (This "hearing" was referred to as a briefing for Members because the Committee has not yet met to ratify its rules and subcommittee assignments).

2. The purpose for this "hearing" was to collect information that will support the Committee's recommendations to the Budget Committee vis-a-vis the Administration's proposals. The Committee will most likely reject all of the proposals, much to the approval of the standing-room only crowd of Federal union groups.

3. Attached hereto is the list of witnesses and the formal comments of several who testified. Copies of the full proceedings will be distributed when available. There were no surprises during the hearing. The Administration's position, defended by Dr. Donald J. Devine, Director, Office of Personnel Management, remains firm on all cuts proposed and there are now no signs of compromise.

4. In her opening comments (attached hereto), Oakar cited drug enforcement agents, foreign service officers, letter carriers, meat & poultry inspectors, NIH employees,

social security administrators, and Federal retirees as loyal and hard workers who were being abused by the Administration.

5. John Myers, speaking for the minority, stated that he shared the concern of the majority, was interested in cooperation, and cited "quick fixes" and the unweildy budget process as the causes behind the roller coaster treatment of Federal benefits. Traditionally, this Committee has maintained a bi-partisan pro-Federal employee orientation and this statement signals that this will continue during the 99th Congress. In fact, the majority staff expressed surprise that the Republicans on the Committee have been so vocal in their opposition to the Administration's proposals.

6. In response to questions about retirement, Dr. Devine alluded to a supplement plan that OPM is drafting. He did not give any details, but suggested that the plan would involve portable benefits, such as Social Security plus some form of employee savings; it would not include the employer-provided pension.

Attachment:
as stated

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